



# Enterprise & Industry

## Improving access to finance

Green growth: EU and China explore cooperation  
Simplifying visas to increase tourism  
Helping EU SMEs enter South American market

17

September 2013

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## Enterprise & Industry Magazine

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## Helping EU enterprises at home and abroad

The European Commission's determination to help Europe's small and medium-sized enterprises (SMEs) overcome financial difficulties is highlighted in the new COSME programme, which is designed to free up billions of euros worth of financing for SMEs from 2014–2020.

In this issue of E&I Magazine, we will take a closer look at COSME, and also explore our ongoing efforts to enable European SMEs to access foreign markets. During my visit to Beijing in July 2013, I signed several cooperation agreements to enhance business relations between EU enterprises and their Chinese counterparts, especially in the field of resource-efficient production. Furthermore, we will open an IPR Helpdesk for the Mercosur region in autumn 2013 after successful rollouts of such helpdesks in China and Southeast Asia.

In addition, this issue of the magazine discusses the Commission's proposals to lighten visa requirements to increase the number of international tourists visiting Europe, as well as our plans to give the steel industry a future in Europe. The European GPS system is also advancing; in the summer of 2013, we had a successful position fix of the first four European Galileo satellites.

**Antonio Tajani, European Commission  
Vice-President for Industry and Entrepreneurship**

# COSME to spur access to credit for small enterprises

*The European Commission is dedicated to helping Europe's small and medium-sized enterprises (SMEs) overcome the financing problems currently plaguing Europe. This is the inspiration behind a new programme called COSME (Competitiveness of Enterprises and SMEs), which will free up funding for SMEs and help small businesses – the backbone of Europe's economy – create goods, services and jobs. In an interview with E&I Magazine, Vice-President Antonio Tajani explains what the Commission hopes to achieve with COSME.*

## **E&I: In short, what is COSME?**

**Tajani:** COSME is the EU's new programme dedicated to SMEs, which provide 85% of all new jobs in the EU. It is a fact: Ambitious entrepreneurs have a harder time in Europe than in some other parts of the world, particularly when it comes to getting credit. Therefore, COSME is foremost a funding instrument that will improve access to finance for SMEs and improve access to markets inside and outside the EU. The funds will also be used to create a favourable environment for SMEs by encouraging an entrepreneurial culture in Europe and strengthening the sustainable competitiveness of EU enterprises. The programme is set to run from 2014 to 2020, with a budget of €2.3 billion.

## **E&I: How will the financial support work?**

**Tajani:** COSME aims to facilitate SMEs' access to finance. To this end, nearly €1.4 billion of the COSME budget is allocated to loans and venture capital complementing financial schemes at national level. In particular, COSME will provide a guarantee facility for SME loans up to €150 000, and offer better access to venture capital through an equity facility, with a particular focus on the expansion and growth phase of SMEs. The allocation of these funds will be managed by reputable financial intermediaries, such as banks, mutual guarantees and venture capital funds. SME can access these funds through an EU-supported finance portal (see page 6).

## **E&I: What does COSME mean for an SME in practicable terms?**

**Tajani:** COSME will work like its predecessor, the Competitive and Innovation Framework Programme (CIP). Under the CIP, loan guarantees were used in cases where the entrepreneur or the small enterprise did not have sufficient collateral and the bank did not provide a loan. Ninety percent of the beneficiaries – including about 200 000 SMEs from across Europe – had 10 or fewer employees. This is precisely the category that has the most difficulties getting a loan. But thanks to the CIP, the average guaranteed loan was about €65 000, and by the end of December 2012, the financial instruments of the CIP had mobilised almost €13 billion in loans

and more than €2.3 billion in venture capital. The same sort of benefits will be realised under COSME.

## **E&I: How many businesses will profit?**

**Tajani:** It is expected that by 2020, around 344 000 firms will receive loans backed by COSME guarantees, with the value of lending reaching €22 billion. In addition, thanks to COSME's investments in venture capital funds supporting fast-growing SMEs, 560 firms will receive venture capital investment with the overall volume invested reaching €4 billion.

## **E&I: What will the economic impact be?**

**Tajani:** The impact will be enormous. We expect that one euro invested in a loan guarantee for SMEs will mobilise between 20 and 30 euros more. The ratio for venture capital is expected to be between four and six. COSME-backed financial instruments should result in an annual increase of €3.5 billion in additional lending and/or investment for EU companies. Each year, COSME is expected to contribute to an increase in the EU's GDP by €1.1 billion, and assist 40 000 firms in creating or saving 30 000 jobs and launching 1 200 new business products, services or processes.

## **E&I: What other support is foreseen for SMEs as part of COSME?**

**Tajani:** The remaining €1 billion of the COSME budget will maintain many of the same successful programmes already in place, including co-financing for the European Enterprise Network, with its more than 600 offices in the EU and beyond. COSME will also support internationalisation of SMEs, Erasmus for Young Entrepreneurs, entrepreneurship education, IPR Helpdesks and the reduction of administrative burdens.



## More Info

More information available online at:

<http://bit.ly/17wKL2f>



# Success stories:

## EC investment brings hope to entrepreneurs

*There is a reason COSME is designed like its predecessor, the Competitiveness and Innovation Framework Programme (CIP). After all, the CIP made €550 million of guarantees available to financial intermediaries, freeing up loans and financing for SMEs throughout the EU. As illustrated by these success stories, the CIP helped European SMEs realise their innovative ideas, and COSME will do the same.*



## Health

For 30 years, Dutch company BMEYE has been researching and developing a breakthrough medical device which offers the most advanced cardiovascular monitoring capabilities in an easily accessible, non-invasive and reliable way.

With a simple finger cuff, this device measures patients' blood pressure and cardiac output continuously, providing detailed life-saving data and enabling clinicians to predict and proactively address the early signs of hemodynamic instability in critical situations. With CIP funding, the company founder and CEO were able to obtain necessary clearance and hire new staff members to commercialise and distribute the device.

Their device is now being used in emergency and intermediate care units, as well as operating and recovering rooms, with plans to expand usage to other application.

### **Company:**

*BMEYE B.V., Amsterdam*

### **Type of business:**

*Cardiovascular monitoring devices*

### **EU-supported investment through**

**360 Capital Partners: €2 million**

## Energy

Named as one of the most innovative European companies in 2010, the home energy saving firm PassivSystems was fully developed and entered the market thanks to the support of WHEB Ventures, a clean technology venture firm supported by the CIP.

'It (the technology) is now available to a large number of new customers which we would not have been able to reach otherwise,' says one of the founders of UK-based PassivSystems.

The intuitive product consists of a touch screen controller and a smart hub which is connected to an in-home broadband connection, allowing users to access the service manually or via mobile apps. The system can learn how consumers live, analyse the thermal properties of their homes and monitor performance levels of their heating and water systems. It then adjusts heating and water levels according to need, thus avoiding waste and unnecessary energy consumption and allowing consumers to live more economically.

### **Company:**

*PassivSystems, Berkshire UK*

### **Type of business:**

*Home energy management products*

### **EU-supported investment through WHEB Ventures**



*Rob de Ree, BMEYE B.V.*



*Colin Calder, PassivSystems*

## Hospitality

Always wanting to own his own business, one European entrepreneur found his calling after a move from the Netherlands to the French countryside further fuelled his passion for food and ambition to open a restaurant.

He received a €149 000 loan from the financial intermediary SIAGI, which was backed by the European Interoperability Framework (EIF) under the CIP, enabling him to turn a rural farmhouse in Vaucluse into a fast-growing restaurant, which now employs five people with another two soon to join the team.

'I'd dreamt of opening my own restaurant and this funding has given me the opportunity to do so,' he said.

### **Company:**

*Le Grand Pré, Roaix*

### **Type of business:**

*Restaurant*

### **EU-guaranteed loan from SIAGI: €149 000**

## Industry

An Austrian entrepreneur launched Lasertechnik, which specialises in repair welding for tools and mould construction, in 1999. After initially providing one-to-one welding services to local customers in Vienna, Austria, she realised market demand was shifting towards serial welding.

Responding to client needs, in July 2009 the company used a €30 000 loan from the Austrian financial intermediary AWS (Austria Wirtschaftsservice), which had signed a deal with the CIP, to purchase a new 'high-tech' machine to help them start serial welding.

'Thanks to this loan, I could finally buy the tools I needed to grow my business,' the owner said.

### **Company:**

*Lasertechnik GmbH, Vienna*

### **Type of business:**

*Welding company*

### **EU-guaranteed loan from AWS: €30 000**



*Le Grand Pré*



*Lasertechnik GmbH*

# Single portal:

## Helping businesses access EU finance



*By offering information on how companies can access more than €100 billion of EU financing, the 'single portal' is helping entrepreneurs and SMEs in Europe face some of the major problems hampering their development. The user-friendly portal acts as a gateway to opportunities provided by more than 1 000 EU-supported banks and other financial institutions.*

With banks and other investors taking fewer risks and becoming much more hesitant when it comes to funding small and medium-sized enterprises (SMEs), information and access to EU funding is more important for businesses than ever before. Over the last two years, almost one-third of the SMEs applying for bank loans were refused or ended up getting less than requested.

In response to the increasing difficulty to find funds and investors, the European Commission launched a single portal on EU finance, which provides easy, complete and up-to-date information on how entrepreneurs and SMEs can access more than €100 billion of EU financing from various programmes for the period 2007–2013. The portal now also includes EU Structural Funds such as the European Regional Development Fund (ERDF) and the European Social Fund (ESF). The new additions have doubled the number of partner banks and funds to more than 1 000, further strengthening a vital information source for SME financing through guarantees, loans and venture capital.

### User-friendly website for SMEs

The single portal provides detailed information on how SMEs can apply for finance supported by the EU. It enables entrepreneurs and companies to find tailor-made financing according to their specific needs, such as company size, type of finance and investment focus.

### Information on EU financial instruments

The Commission's series of initiatives intend to support SMEs – which act as a key driver of economic growth and employment – by helping them tackle the problems which hamper their development. The EU financial instruments for SMEs include the Competitiveness and Innovation Framework Programme (CIP), Progress Microfinance, the Risk-Sharing Instrument (FP7), European Investment Bank (EIB) loans and now Member States' national and regional Operational Programmes implementing cohesion policy objectives.

Under the EU's cohesion policy 2007–2013, more than €3.6 billion had already been invested in enterprises at the end of 2011 through almost 68 000 loans, guarantees, venture capital/equity and other financial products.

By the end of 2011, a total of 484 specific funds for businesses (loan, guarantee, equity/venture capital and other) were set up in 25 Member States and one cross-border cooperation region. Overall, €69.7 billion from the ERDF and ESF went towards SME support – this goes up to at least €95.4 billion if the national co-financing is taken into account. By the end of December 2012, the financial instruments of the CIP Programme mobilised almost €13 billion of guarantees and more than €2.3 billion of venture capital. More than 220 000 SMEs have already benefited from the programme across Europe.

*The user-friendly single portal on EU finance is a valuable resource for European SMEs.*



*‘One of the key priorities for the Commission is to simplify and reduce the obstacles that businesses face. We also want to encourage Member States and regions to use EU financial instruments, as they can enhance the impact of cohesion policy. They are catalysts for crucial investments needed to provide a vital boost to the European economy and create jobs.’*

*European Commission Vice-President Antonio Tajani,  
Commissioner for Industry and Entrepreneurship*



### More Info

More information available online at:

<http://access2eufinance.ec.europa.eu>

# SMEs an important aspect of Euro-Mediterranean cooperation

*Textiles and clothing are among the many areas of EU-Mediterranean collaboration.*

*The European Commission is determined to strengthen ties between the EU and its Mediterranean neighbours, which together form the Union for the Mediterranean (UfM). As part of this effort, the Commission hosted a meeting in June to review objectives that will benefit the UfM and, importantly, improve the environment for SMEs both inside and outside the EU.*



*'The EU needs to give a clear signal that strong industrial cooperation is of mutual benefit for Mediterranean neighbours and the EU. Further economic develop-*

*ment and job creation will also support political stability in the region. Our dialogue must continue to spur leadership, creativity and sharing. A stronger economic partnership will have a tangible impact on all sides of the Mediterranean Sea.'*

*Daniel Calleja, Director General of DG Enterprise and Industry and the EU's SME Envoy*

The Union for the Mediterranean (UfM), a partnership between Europe and third countries in the Mediterranean (MED) region, is promoting shared prosperity by fostering industrial cooperation among EU Member States and their MED neighbours.

A crucial element of this collaboration is small and medium-sized enterprises (SMEs), which play a vital role in economic development and job creation in both the EU and MED region. SME development was therefore a key component of a June 2013 meeting in Brussels, which was organised by the European Commission and focused on Euro-Mediterranean industrial cooperation.

Daniel Calleja, Director General of DG Enterprise and Industry and the EU's SME Envoy, presented the four objectives of the 2013–2014 Work Programme:

- **Improve the business climate and promote entrepreneurship:** To thrive, SMEs need a sound regulatory framework and efficient support measures. Thus, Calleja underlined the potential benefits of extending the EU's Small Business Act for Europe (SBA) – which recognises the central role of SMEs in the European economy – to Mediterranean countries. Adhering to the SBA's principles, including reduction of regulatory burden and second chances for entrepreneurs, will foster growth among Mediterranean and European SMEs.



## Environment for SMEs improved

In spite of the global economic crisis and political changes throughout the Mediterranean region, all MED countries have improved the environment for SMEs. Progress has been particularly strong for access to finance and services for companies.

However, advancements have been mainly incremental, and additional regulatory reforms are necessary in a region that suffers from massive youth unemployment, low participation of women in the labour force, low integration in global value chains and a lack of economic diversification. The EU is eager to share recipes for tackling such challenges. As a sign of the EU's commitment, a four-year regional programme will support private sector development in MED countries from 2014 onwards. The programme, which has a budget of €12 million, comprises of a few main components:

- Contribute to the improvement of the business environment for micro, small and medium-size enterprises in the MED region.
- Develop quality Euro-Mediterranean networks providing adequate support and linkage services in sectors of common interest.
- Foster entrepreneurial cooperation in the cultural and creative industries.

- **Encourage SMEs to innovate, export, import and internationalise:** This includes possible participation of MED neighbours in EU SME support networks like the Enterprise Europe Network and, in the future, the EU COSME programme (see page 3).
- **Exchange views and experience:** Organising annual conferences, especially in areas such as textiles, clothing and creative industries – sectors which are fundamental to the MED region – will be productive for UfM members. In addition, Calleja said that special attention should be paid to innovation and creativity as drivers of industrial competitiveness.
- **Establish a large Pan-Euro-Mediterranean products market:** The EU and its Mediterranean neighbours will benefit from preparing and negotiating Agreements on Conformity Assessment and Acceptance (ACAA) for industrial products, and cooperating in areas such as standardisation and elimination of non-tariff barriers.

ACAA-type market access agreements, which abolish barriers to trade, are currently at different stages of preparation and negotiation in MED countries. The primary sectors concerned are machinery, electrical products, construction products, pressure equipment, toys, medical appliances, gas appliances and pharmaceuticals.



## More Info

More information available online at:

<http://bit.ly/15GNFnB>

# EU and China explore the benefits of green growth

*The EU and China together are on a 'green growth' mission, one that supports environmental protection and sustainable prosperity by promoting regulatory harmony. Strengthening EU-China cooperation will lead to more international business opportunities for EU companies, particularly SMEs, active in the 'environmental' sectors. The end result: helping the global economy and slowing global warming.*



© European Commission

*In the summer of 2013, an event was held in China to foster cooperation between local entrepreneurs and European businesses. With a focus on 'green growth', the event was attended by more than 100 Chinese companies.*

The global market for green goods and services is currently estimated at around €1 trillion per year – and is expected to double by 2020. This huge economic potential, coupled with the moral imperative to fight manmade climate change, was the inspiration behind a visit by European Commission Vice-President Antonio Tajani and Environment Commissioner Janez Potočnik to China in July 2013.

An important aspect of the visit was intensifying EU-China cooperation to improve industrial energy efficiency, decrease greenhouse gases and increase market share for environmentally friendly products and services.

This is a continuation of collaboration that began in 2010, when a specific working group was established with the Chinese Ministry of Industry. The group's three main areas of emphasis are energy efficiency actions in industry, product policy (notably eco-design) and sustainable industrial policy.

## Helping EU companies, especially SMEs, to operate in China

Vice-President Tajani and Commissioner Potočnik were accompanied by a delegation of 59 companies and business federations, 22 of which were small and medium-sized enterprises (SMEs) from

Enhanced cooperation on sustainable tourism will benefit both the EU and China. Through the simplification of visa processes, major events such as the Expo2015 in Milan – the theme of which is 'Feeding the Planet, Energy for Life' – will be more accessible to tourists from China, which has the fastest-growing tourist population in the world. For more information on simplifying visa applications, see page 22.



*'Green growth is high on the political agendas of the EU and China – both are interested in achieving sustainable growth while maintaining and improving the state of their respective environments. This is a win-win situation for businesses on both sides and for the climate.'*

*Vice-President Antonio Tajani,  
Commissioner for enterprise and industry policy*

17 different EU Member States. The combined turnover of the companies joining this mission, which employed a total of 740 000 people, was €233 billion. With this delegation on hand, the EU and China agreed to reinforce the already fruitful cooperation between Chinese authorities and the European Commission through existing regulatory dialogues, which promote mutual understanding in industrial and SME policy.

To that end, both sides will intensify cooperation in the areas of product risk assessment and management, market surveillance and standards convergence, and will enhance the China-Europe Standardisation Information Platform (CESIP). This platform gives businesses information about standards applicable to highly-regulated products and, as a result, helps SMEs to internationalise.

Another key topic for EU-China business relations is the protection of intellectual property rights. During his meeting with the Minister for Quality Supervision, Inspection and Quarantine, Zhi Shuping, Tajani talked about the fight against counterfeiting and promoted the EU's new proposal to improve market surveillance and traceability, particularly in the area of green technology.

### Promoting bilateral business contacts

A matchmaking event was held to facilitate collaboration between local entrepreneurs and companies operating in the air quality, water, waste, energy efficient and environmentally friendly technologies sectors. More than 350 Business-to-Business meetings took place, all focusing on the theme of 'green growth'. Attended by 102 Chinese companies from all over the country, the event was made possible thanks to the support of the EU SME Centre and the Enterprise Europe Network. The world's largest business support network, the Enterprise Europe Network has recently expanded its coverage and now has five consortia throughout China, providing free basic services to SMEs to support their expansion and improve their competitive position in China and other emerging markets.

Companies were also presented all the available services in China designed to help SME internationalisation, namely the China SME IPR Helpdesk and the EU SME Centre. During a roundtable on green business opportunities, co-hosted with the Chinese Ministry of Industry and Information Technology, five partnership agreements in the field of bioenergy between EU and Chinese companies were signed.

### More Info

More information available online at:

*Mission for Growth to China*  
<http://bit.ly/16HhMto>

*Enterprise Network Europe*  
<http://een.ec.europa.eu>



# Helping European SMEs enter South American market

*After successful rollouts in China and Southeast Asia, the European Commission will launch a helpdesk in South America's Mercosur region. By providing free information and a variety of services, including legal assistance to protect intellectual property rights, the Commission will help Europe's SMEs benefit from Mercosur's continued growth.*



As part of its ongoing efforts to help European businesses tap into emerging economies, the European Commission will launch a helpdesk to facilitate market access to Mercosur, an economic and political region including Argentina, Brazil, Paraguay, Uruguay, Venezuela and Bolivia.

Mercosur, along with neighbouring Chile, represents a huge growth opportunity for European businesses, and especially for small and medium-sized

enterprises (SMEs). At the same time, however, the region poses unique challenges to companies accustomed to doing business in Europe. Different customs, different regulations and so on mean that opportunities are accessible only after navigating various obstacles.

With that in mind, the Mercosur IPR Helpdesk will provide services to help European companies overcome hurdles they might encounter in Mercosur. As with other EC-sponsored helpdesks in Asia (see info box), the Mercosur IPR Helpdesk will offer free, confidential advice and guidance on intellectual property rights (IPR). In particular, the helpdesk will disseminate training materials and liaise with local personnel, including law enforcement and legal experts, who can assist with IPR protection. These services will help ensure that discrepancies in regulations and expectations do not hinder market access to EU enterprises.

The Mercosur helpdesk is part of the European Union's ongoing investment in the region. The EU designated €50 million in assistance to Mercosur through the 2007–2013 Regional Programme, helping to establish the institutional and regulatory instruments that – now in place – will help EU businesses flourish in the region. But the partnership goes beyond free trade: Strengthening institutional capacity to support democracy and promoting sustainable development have also been focal points of the EU's involvement in Mercosur.

The European Commission has been proactive in helping EU enterprises tap into foreign markets, which represent some of the fastest-growing economies in the world. In addition to the Mercosur IPR Helpdesk, the EC also supports the China IPR SME Helpdesk and the ASEAN Helpdesk (Association of Southeast Asian Nations). Among the numerous services designed to aid European SMEs – including case studies, training, events and more – these two helpdesks jointly operate the 'Your IP Insider' blog, which offers news, advice and information about the Asian market.

The Mercosur IPR Helpdesk is the latest step in a growing partnership between Mercosur and the EU. The EU is already Mercosur's top trading partner, accounting to 20% of Mercosur's trade. Mercosur, meanwhile, represents 3% of the EU's total trade, with EU exports to the region swelling from €28 billion in 2007 to €50 billion in 2012. Top EU exports to Mercosur include machinery and transport equipment (45% of total exports) and chemicals (22%). The EU is also a major exporter of commercial services – Mercosur accounted for more than €15.9 billion in EU commercial services in 2011 – as well as the top provider of foreign direct investment in the region.

## More Info

More information available online at:

<http://bit.ly/13rupX9>





# Remotely piloted aircraft systems boost innovation and create jobs

*Drones will have a far-reaching impact on Europe's economy. They will not only cut costs and enable more efficient operations across various sectors, but also create opportunities for European enterprises to develop the technologies fuelling this revolution. The European Commission wants to make sure small businesses benefit as this industry takes off.*

In the aftermath of the Fukushima disaster in March 2011, drones flew over the damaged nuclear power plant to take pictures of the buildings and flooded coastline. Thanks to the data transmitted by these aircraft, the disaster management team was able to successfully cool the overheated reactors and minimise the damage.

This is just one example of the immense potential for civil applications of remotely piloted aircraft systems (RPAS), which include not only the aircraft but also the various elements that keep it in flight. By utilising cutting-edge technology, RPAS, also referred to as unmanned aircraft systems (UAS) or drones, are the next big thing in the aviation industry. If RPAS's full potential is unleashed, it will bring

*Remotely piloted aircraft systems, also known as drones, have numerous applications, including precision agriculture and inspecting energy infrastructure.*





significant advantages to European citizens and the European economy as a whole, as missions undertaken for one purpose can also be utilised to generate growth in other areas. RPAS can be deployed in very diverse sectors: monitoring volcanic activity, regular inspection of oil and gas pipelines, search-and-rescue missions, homeland security and precision agriculture are just some of the activities for which unmanned aircraft are highly effective.

### 400 drone production projects in Europe

About 400 RPAS production projects are currently operating throughout Europe, with the United Kingdom, France, Germany, Italy and Spain at the forefront. Small and medium-sized enterprises (SMEs) represent more than 80% of the companies involved in the development, manufacturing and exploitation of RPAS. Hundreds of drones that are now being developed, often by start-ups, will be used more and more for concrete applications.

The growth of this new market, both inside and outside the EU, will foster the emergence of a totally new service industry offering RPAS operations

to commercial and state customers. An extensive supply chain is involved in providing a number of enabling technologies that range from flight control, propulsion and communication to sensors, telemetry and energy. In the long run, cooperation between large industries, SMEs, research organisations and universities will enable the expansion of local networks of RPAS expertise and clusters of supply industries.

### Making an impact, fostering cooperation

Preferred for missions that are often thought to be dull, dirty or dangerous, RPAS reduce human life exposure and are less expensive than manned aircraft. What is more, unmanned aircraft consume less fuel than manned aircraft and reduce CO<sub>2</sub> emissions. Pilot projects are already contributing a great deal towards cross-country technology and innovation exchange, as well as cooperation between different industries. The European Commission is in an optimal position to facilitate collaboration between RPAS manufacturers and operators from all over Europe and throughout the world.

### The way ahead

Acting on a mandate from the European Commission, a group of European stakeholders created a roadmap for the safe integration of civil RPAS into the European aviation system starting in 2016. According to the roadmap, which was presented at the Paris Air Show on 20 June 2013, a number of issues need to be addressed before this new technology can be fully exploited.

For instance, RPAS need to gain routine access to airspace in a way that complies with overall aviation safety. They also need to be as safe as all other kinds of aircraft, which means an equivalent set of rules – covering airworthiness, trained staff and adequate operations – has to be put in place.

Meanwhile, the Commission is preparing a communication with concrete actions to establish regulations and coordinate with ongoing research activities. The purpose is to create a framework which progressively opens up the RPAS market and maintains the high levels of safety, security and privacy which EU citizens enjoy.

In addition, the Commission intends to address potential threats. The increased use of RPAS resulting from their progressive integration into airspace is likely to raise privacy and data protection issues. These concerns could stem from video surveillance and monitoring applications involving collection, retention, use and disclosure of personal data. Adequately addressing these issues is a prerequisite to the development of civil applications of RPAS.

### More Info

More information available online at:

<http://bit.ly/11p4q5l>

# Ensuring a future for steel

*The steel industry has long held a strategic place in the EU economy, fostering innovation, growth and employment. Now it is time for the steel sector to undergo a revival. The European Commission is working to boost the industry to a new level in order to face current obstacles and ensure a promising future.*

An action plan to help the European steel industry confront today's challenges was presented by European Commission Vice-President Antonio Tajani in June 2013. The Commission is acting because steel demand in Europe is currently 27 % below the pre-crisis level, and employment in the sector fell by 10 % from 2007 to 2011.

Because steel is closely linked to numerous industrial sectors – automotive, construction, electronics, renewable energies and many more – it is a vital element of the EU's goal to increase industry's share of GDP to 20 % by 2020. Tajani made it clear that the steel industry has a promising future in Europe. 'With our blueprint for the revival of the steel sector, we send a clear signal to the industry that it is strategically important for Europe,' Tajani said. 'We not only want to keep the steel sector in Europe, but want to make it stronger.'

## Steel in Europe

Despite a fall in overall output and employment, the European steel industry remains internationally competitive. The EU registered a 4 % increase in steel exports in 2012, plus the EU is still the second-largest producer of steel in the world, with an output of more than 177 million tonnes per year – 11 % of the global total. Within the EU, 500 production sites are spread throughout 23 Member States, employing more than 360 000 people.







# in Europe

## International competition is not always fair

In India, China, the Russian Federation and Egypt, there is an increasing trend to protect domestic steelmakers through the imposition of export restrictions and export duties on raw materials. This unduly raises steel production costs in the EU. China is the largest steel exporter worldwide, now accounting for almost 50% of global steel production. In the United States, the shale gas revolution led to lower energy costs, which improved the competitive position of the steel industry and attracted new investments. Faced with these challenges, the Commission proposes a series of measures to support Europe's steel industry:

### Increasing demand for steel

According to the Organisation for Economic Cooperation and Development (OECD), global steel demand is expected to increase to 2.3 billion tonnes by 2025 – the 2013 total is 1.4 billion tonnes – mainly from a few key steel-using industries: construction, transport and mechanical engineering, particularly in emerging economies. The construction and automotive sectors alone account for 40% of steel demand. The Commission will continue to promote these sectors by, among other things, stimulating the demand for environmentally friendly construction projects and alternative fuel vehicles.

### Improving access to foreign markets

To enable the EU steel industry to profit from fast-growing economies, the Commission will ensure a level playing field by supporting EU steel exports, fighting unfair practices and ensuring access to vital raw materials. In addition, scrap markets will be closely monitored to help EU steelmakers using scrap as a raw material.

### Addressing skills needs and easing restructuring

A series of measures will be launched to promote the employment of young people in the sector through the reinforcement of apprenticeship schemes and youth-oriented recruitment processes. The Commission will also explore the possibility of using relevant EU funds to help workers find alternative employment in cases of production site closures or significant downsizing.

## More Info

More information available online at:

<http://bit.ly/14cxD65>



# Creating seamless communication throughout the fashion supply chain

*The fashion industry is fuelled by an international supply chain that stretches far beyond the runway or clothing store. Numerous stakeholders must communicate about sales, shipments, supplies and more. To help facilitate this collaboration, the European Commission offers eBIZ, an interface that enables the fashion industry's 850 000 companies to integrate their operations and create Europe's world-renowned clothing.*

Long before a garment appears at a fashion show or on a display rack, a lengthy – and often international – collaboration must take place. The glittering world of fashion is underpinned by textile producers, distributors and designers from around the globe, all of whom rely on the ability to exchange huge amounts of information about product features, when certain goods will be received, what clients purchase and more.

Because quick and accurate communication is crucial for success, the European Commission launched eBIZ, an interface that allows stakeholders in the fashion industry to exchange data and bolster productivity. Run by private organisations, eBIZ has now reached its fifth year, helping hundreds of textile, clothing and footwear companies communicate every day.

Prior to eBIZ, the various information technology (IT) tools used up and down the supply chain were often incompatible, creating confusion about, for example, when an order was received or shipped. Such data had to be manually encoded into a company's IT system, and because these systems varied significantly – and because there can be more than 30 transformations between raw materials and a final article of clothing – there was ample opportunity for confusion. But by offering full compatibility between IT systems, eBIZ is helping stakeholders avoid the problems of yesteryear.

## **eBIZ: using a common language in the fashion business**

eBIZ began by creating a common electronic 'language' that would enable business partners – from fabric manufacturers to downtown (or online) clothing stores – to be digitally integrated. The so-called eBIZ Reference Architecture, which established how players in the fashion industry would 'speak'







with one another, was tested from 2008 to 2010 by more than 150 companies across Europe.

This trial proved the remarkable benefits that could be gained by companies using the common electronic language defined by the Architecture, including cost-reduction, higher efficiency and better time to market. Such improvements were particularly important for small and medium-sized enterprises (SMEs) which had little or no previous experience with digital communication.

eBIZ had grown significantly by 2012, thanks in part to the activities of the ad-hoc international working group 'European Committee for Standardization' (CEN). This group gathered 54 organizations from 10 European countries and agreed on a new, upgraded version of the digital language designed to address the current business challenges.

By mid-2013, more than 300 companies from across Europe had benefitted from eBIZ. This widespread participation illustrates a growing awareness of the importance of standardised IT and of stronger cooperation with business partners.

Coordinated by Euratex, the European textile and clothing confederation, and technically managed by ENEA, an Italian public research organisation, the eBIZ initiative has gained widespread acknowledgement from both the IT community and fashion industry.

### The companies' experiences

Some of the key benefits reported by companies:

- Reduction of order management costs by up to 60 %
- Elimination of the use of fax and a 95 % reduction in phone and email communications with sub-contractors
- Better time to market and improvement of reaction times to orders by 10–15 %
- Integration with suppliers and customers
- Simplification of procedures and removal of errors in manual data entry
- Great savings in maintenance and updating costs of enterprise resources planning (ERP) systems
- Availability of state of the art specifications, tailored for the needs of small and medium-sized manufacturing enterprises
- Technical upgrades in 2013, expanding technologies, e-invoicing and business models

### More Info

More information available online at:

<http://bit.ly/134W8AE>

# EGNOS improves GPS and makes air navigation safer

*Europe made its first venture into satellite navigation with EGNOS, a service which has significantly improved the accuracy of existing satellite positioning signals. Now, huge advancements in aviation are also being made as EGNOS – already available at more than 80 EU airports – enables more precise landings, fewer delays and more efficient routes.*

*EGNOS, Europe's first satellite navigation system, is being used to make aviation safer and more efficient.*

© iStock







The European Geostationary Navigation Overlay Service (EGNOS) increases the accuracy of the Global Positioning System (GPS) by providing positioning accuracy within three metres – GPS alone is only reliable to within 17 metres. Such precision has aided mapping, agriculture, location-based services and numerous other areas.

Now more than ever, aviation is also being enhanced by EGNOS. One of the many high-performance navigation and positioning services unleashed by EGNOS is the Safety of Life Service (SoL), which enables precision landing approaches and makes air navigation safer at more than 80 European airports – a number which is increasing every week. SoL also allows airports to increase their overall capacity and cut operating costs by creating shorter, more fuel efficient routes, thereby reducing CO<sub>2</sub> emissions.

SoL improves aviation with:

- **Increased safety:** Even in poor weather conditions, SoL's precision landing capabilities significantly reduce safety risks.
- **Lower operating costs:** The EGNOS signal is provided free of charge and only requires a receiver on board the aircraft. No ground infrastructure is required in order to operate with EGNOS.
- **Fewer delays, diversions and cancellations:** EGNOS requires lower aircraft separation limits at busy airports, meaning fewer delays, diversions and flight cancellations.
- **Increased capacity for smaller airports:** The vertical guidance offered by the system means planes are able to land in restricted visibility conditions, increasing the capacity of airports, especially small and medium-sized airports that cannot afford more expensive alternative technologies.

## Background

Known as a satellite-based augmentation system (SBAS), EGNOS creates opportunities for Europeans to use more accurate positioning data, making it possible to improve or develop a wide range of new services for different market segments.

EGNOS is made up of transponders on board three geostationary satellites, as well as an interconnected ground network of 40 positioning stations and four control centres, which cover most of the territory of the EU.

EGNOS is owned by the European Commission and was launched in 2009 as part of the Galileo global satellite navigation system. The European Space Agency designed EGNOS under a delegation agreement with the Commission.

EGNOS is the first pan-European satellite navigation system. Similar services are provided in North America by the Wide Area Augmentation System (WAAS); in Japan by the Multifunctional Satellite Augmentation System (MSAS); and in India by the GAGAN System. Other SBASs are being developed in other regions of the world.

## EGNOS Data Access Service

EGNOS's applications go far beyond airports. The **EGNOS Open Service**, which is available to everybody, lets citizens profit from better personal Global Navigation Satellite System (GNSS) services.

In addition, the **EGNOS Data Access Service** (EDAS) is a terrestrial commercial service that offers professional users ground-based access to EGNOS data. By making GPS data available via the Internet, EDAS ensures that users can access EGNOS information even if the EGNOS satellite signal in space is unavailable – for example, because of signal obstruction in urban areas. EDAS provides the same information as EGNOS along with extra data, enabling the creation of new and innovative products and services. The result is a reliable service which the European Commission is fully committed to on a long-term basis.

## More Info

More information available online at:

<http://bit.ly/rgPyaQ>

# Simplifying short-stay visa applications to increase tourism

*Europe is already the world's No 1 tourist destination. But in an effort to tap into emerging markets and ensure the continued growth of tourism-related industries, the European Commission is spearheading reforms to make it even easier for international tourists to visit the EU.*



Known around the globe for its wealth of natural, cultural and artistic heritage, Europe has long been the world's top tourist destination. But in order to fully capitalise on its international reputation, the EU's tourism sector needs to target fast-growing and emerging markets, where a rapidly expanding middle-class has greater purchasing power and an eagerness to travel.

The tourism sector employs nearly 20 million people in the EU and has links to other key sectors, such as culture, food, fashion, construction and transport. The continued growth of tourism can help to quickly remedy the emergency created by youth unemployment, which exceeds 50% in some European areas. As European Commission Vice-President Antonio Tajani said: 'In the midst of the most severe economic crisis since the Second World War, we must take full advantage of tourism's potential to drive economic growth.'



In 2011, tourists from non-EU countries spent about €400 billion in the EU. This figure is estimated to reach €500 billion by 2020 – if, that is, Europe is able to continue attracting tourists from places like Latin America, China, India and Russia. In recent years, the number of Brazilian and Russian tourists visiting the EU has doubled, while flows from China and India are increasing rapidly.

## Visa procedures hamper tourism

Even with the steady influx of tourists, potential visitors are often discouraged by the complex and lengthy procedures necessary to obtain visas to enter the EU. Many obstacles deter tourists, including





the need to make an appointment and in-person visit at a consular office, as well as the requirement to collect a complex series of documents and translations. These problems are compounded by inadequate consular coverage in certain geographical regions. Recent studies indicate that Europe could have up to 46 million additional international arrivals by 2015, resulting in an increase of €60 billion and the creation of half a million jobs. But this will only be possible if the Schengen Area, a 26-nation partnership designed to facilitate free movement between countries, further harmonises its regulatory collaboration.

To help remove hurdles faced by overseas tourists and make Europe an even more attractive destination, the European Commission has proposed a revision of the Schengen Area's Visa Code. Fully respecting the security aspects which continue to form one of the pillars of the EU's visa policy, the reform will focus on the introduction of mandatory services for people who often travel in the Schengen Area, and make better use of the possibilities offered by the visa information system. An increased use of telematic technologies will simplify the visa application process, and consular capacity will also be increased.

### Reforms will make travelling easier

An important element of the EC's plans is distinct application procedures based on whether visitors are travelling for business or leisure, the latter of which could include the many festivals, sporting events and cultural institutes that enhance the image of European cities. Too often, problems obtaining visas limit access and – as a result – limit the potential economic benefits of tourist attractions. For instance, the Milan World Expo in 2015 may be an opportunity for millions of new visitors to Europe, but only if they can obtain the necessary visas.

Some countries already actively promote tourism from non-EU countries. Italy has increased its consular capacity in China, resulting in a 100% increase in the number of visas granted, while Poland implemented a 'fast-track' procedure for visa applications of those hoping to attend the 2012 European Football Championship. Outside the EU, Australia has several types of visas which vary depending on the purpose and length of stay, and which can be processed online. In the USA, President Barack Obama himself set up a task force in January 2012 to increase the USA's capacity to process visas for China and Brazil by 40%.

International competition is becoming increasingly fierce as a growing number of countries rely on tourism as a tool for growth and economic well-being. In this context, the simplification of visa applications and allocations is vital to allow the EU to fully exploit its enormous potential as an artistic and cultural destination.

### More Info

More information available online at:

<http://bit.ly/bdFiXM>



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